

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2019-__-S

IN RE: Joint Application for Approval of
the Sale of Assets and Transfer of
Facilities, Territory and Certificate of
Public Convenience and Necessity from
T.J. Barnwell Utility, Inc. to South
Carolina Water Utilities, Inc.

T.J. Barnwell Utility, Inc. (“T.J. Barnwell”) and South Carolina Water Utilities, Inc. (“SCWU”) (collectively, the “Joint Applicants”), pursuant to 26 S.C. Code Regs. 103-504 and 103-704, and other applicable rules and regulations, jointly apply to the Public Service Commission of South Carolina (“Commission”) for approval of a sale of assets, including sewer facilities, territories, and certificates of public convenience and necessity, from T.J. Barnwell to SCWU (“Application”). In support of this application, the Joint Applicants respectfully show unto the Commission as follows:

1. T.J. Barnwell is a South Carolina corporation that owns and operates wastewater service in Beaufort County.
2. T.J. Barnwell is a “public utility” as defined in S.C. Code Ann. §58-5-10(4), providing sewer service to the public for compensation in certain areas of South Carolina.
3. T.J. Barnwell’s current schedule of rates and charges was approved by this Commission in Order No. 2016-49, Docket No. 2015-201-S, dated January 26, 2016.
4. The four residential subdivisions served by T.J. Barnwell are set forth on the list attached and incorporated herein by this reference as Exhibit “A.”

5. SCWU is a corporation, duly organized and existing under the laws of the State of Delaware and is authorized to do business in the State of South Carolina. SouthWest Water Company (“SouthWest”), a Delaware limited liability company, indirectly owns 100% of SCWU. On a consolidated basis, SouthWest operates water and sewer utility systems serving approximately 152,291 connections in six states. Additionally, SouthWest indirectly owns Kiawah Island Utility, Inc., a public utility providing water and sewer service to approximately 4,174 water and 3,627 wastewater customer connections in Charleston County, South Carolina. A copy of SCWU’s certificate good standing in South Carolina is attached hereto and incorporated herein by this reference as Exhibit “B.”

6. Joint Applicants seek expedited approval of this Application and a waiver of any requirement for a formal hearing if, after notice, no substantial opposition arises therefrom.

7. All communications or inquiries regarding this Application should be directed as set forth below:

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8. The Joint Applicants have entered into an asset purchase agreement (the “Agreement”) dated September 6, 2019 whereby SCWU will acquire the sewer systems, service territories, personal and business property, real property, easements, governmental authorizations (including the certificates of public convenience and necessity issued to T.J. Barnwell by the Commission, National Pollutant Discharge Elimination System permits, and other permits), and certain other property necessary for the operation of the T.J. Barnwell sewer systems. A copy of the Agreement is attached and incorporated herein by reference as Exhibit “C.”

9. The Joint Applicants submit that the sale of assets from T.J. Barnwell to SCWU is in the public interest. T.J. Barnwell no longer wishes to own the utility, and SCWU is a willing buyer with the financial resources to effect the transaction. The public interest is served by having utility ownership committed to operating the utility and investing the necessary capital required for sustainable, efficient operation. Customers will not be materially affected by the transaction, and the transition of the utility ownership will be carefully managed so that any inconvenience to customers is as minimal as possible. Joint

Applicants are meeting with customers to explain the transition and address any concerns they may have.

10. Unless and until a rate adjustment or other rate schedule modification is approved by the Commission, SCWU will operate the subject sewer system pursuant to its current schedule of rates and charges approved by this Commission for T.J. Barnwell in the Commission order previously referenced.

11. If the within Application is granted, all of T.J. Barnwell's sewer customers will become customers of SCWU; T.J. Barnwell will discontinue the provision of sewer service to the public and will no longer have authorized service territories or the related certificates of public convenience and necessity heretofore authorized to them by this Commission. Further, if the Application is granted, the service area that would be authorized to SCWU would be as set forth in the description attached hereto and incorporated herein by this reference as Exhibit "D."

12. SCWU will post a performance bond as required by S.C. Code Reg. 103-712 upon approval of this Application and will comply with the rules and regulations of the Commission.

13. Closing of the Agreement is expressly contingent, among other things, upon Joint Applicants obtaining the approval of the Commission for the sale of the aforementioned assets of T.J. Barnwell to SCWU. No transfer of any assets has occurred, nor shall any such transfer occur, unless and until such approval is obtained.

14. Based upon the foregoing, it is in the public interest that the Agreement be approved.

WHEREFORE, the Joint Applicants respectfully request that the Commission take the following action:

A. Approve the sale of the assets currently used to serve the customers of T.J. Barnwell, including the transfer of sewer systems, territory, certificates, permits, powers, and privileges, from T.J. Barnwell to SCWU;

B. To permit SCWU to operate the sewer systems currently owned and operated by T.J. Barnwell under the schedules of rates and charges currently approved for them by this Commission; and

C. For such other and further relief as this Commission deems just and proper.

Respectfully submitted,

s/ Charles L.A. Terreni

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